



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

DEC 18 2015

Brian G. Svoboda, Esq.
Tyler J. Hagenbuch, Esq.
Perkins Coie
700 13th Street. NW, Suite 600
Washington, DC 20005-3960

RE: MUR 6966
Democratic Party of Wisconsin
and Randy A. Udell in his
official capacity as treasurer

Dear Messrs. Svoboda and Hagenbuch:

On December 16, 2015, the Federal Election Commission accepted the signed conciliation agreement submitted on your client's behalf in settlement of a violation of 52 U.S.C. § 30104(b) and 11 C.F.R. § 106.7(d)(1). Accordingly, the file has been closed in this matter.

Documents related to the case will be placed on the public record within 30 days. *See* Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003) and Statement of Policy Regarding Placing First General Counsel's Reports on the Public Record, 74 Fed. Reg. 66,132 (Dec. 14, 2009). Information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. *See* 52 U.S.C. § 30109(a)(4)(B).

Enclosed you will find a copy of the fully executed conciliation agreement for your files. Please note that the civil penalty is due within 30 days of the conciliation agreement's effective date. If you have any questions, please contact me at (202) 694-1650.

Sincerely,

Dominique Dillenseger
Dominique Dillenseger
Attorney

Enclosure
Conciliation Agreement

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BEFORE THE FEDERAL ELECTION COMMISSION

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In the matter of)
) MUR 6966
Democratic Party of Wisconsin)
and Randy A. Udell)
in his official capacity as treasurer)

CONCILIATION AGREEMENT

This matter was initiated pursuant to information ascertained by the Federal Election Commission (the "Commission") in the normal course of carrying out its supervisory responsibilities. Based on a Commission audit of the Democratic Party of Wisconsin for the time period of 2011-2012, the Commission found reason to believe that the Democratic Party of Wisconsin and Randy A. Udell in his official capacity as treasurer ("Respondents" or "Committee") violated 52 U.S.C. § 30104(b) and 11 C.F.R. § 106.7(d)(1).

NOW, THEREFORE, the Commission and the Respondents, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 52 U.S.C. § 30109(a)(4)(A)(i).

II. Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondents enter voluntarily into this agreement with the Commission.

OFFICE OF GENERAL
COUNSEL

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IV. The pertinent facts in this matter are as follows:

1. The Committee is a state party committee of the Democratic Party. Randy A. Udell is the Committee's treasurer. Randy Udell was not treasurer of the Democratic Party of Wisconsin, nor a participant in the Committee's compliance programs, during the 2012 election cycle and was not involved in the transactions referenced in this document. Michael F. Childers was the Committee treasurer during the relevant period (2011-12 election cycle).

2. Commission regulations provide that salaries, wages, and fringe benefits "[paid] to State, district, or local party committee employees who spend 25 percent or less of their compensated time in a given month on Federal election activity or on activity in connection with a Federal election" may be allocated as administrative costs; *i.e.*, may be paid with a combination of funds from the committee's federal and non-federal accounts. 11 C.F.R. §§ 106.7(c)(1), (d)(1)(i), and (d)(2). Commission regulations also provide that when allocating salary, wage and fringe benefit payments, political party committees are required to "keep a monthly log of the percentage of time each employee spends in connection with a federal election." 11 C.F.R. § 106.7(d)(1).

3. As set forth in the Final Audit Report, the Commission found that the Committee failed to maintain monthly payroll logs for payments totaling \$2,221,516 in 2011 and 2012. Of that amount, the Committee disclosed \$2,192,554 as having been paid with an allocation of federal and non-federal funds, and \$28,972 as having been paid from an exclusively non-federal account during the periods in which the employee was also paid with federal funds.

4. Committee treasurers must file reports of disbursements in accordance with

the provisions of 52 U.S.C. § 30104(b). The Committee misstated its disbursements for 2011, resulting in an understatement of disbursements totaling \$184,702.

5. Respondents contend they were engaged in many nonfederal elections in 2011 and 2012, which arose from the filing of petitions to recall 13 state senators, the lieutenant governor and the governor, and that these elections placed heavy demands on the Committee's recordkeeping and reporting functions. Respondents contend further that there was no finding in the Commission's audit and no allegation in this matter that the Committee paid more than its allocable share from the non-federal account during the 2012 cycle. Respondents contend finally that they cooperated fully with the Commission during the audit and complied with the auditors' recommendations, adopting a system to track the proportion of time spent by employees on Federal election activity and amending its reports.

V. Respondents violated 52 U.S.C. § 30104(b) by misstating its disbursements for 2011 and violated 11 C.F.R. § 106.7(d)(1) by failing to maintain monthly payroll logs in 2011 and 2012.

VI. 1. Respondents will pay a civil penalty to the Commission in the amount of Twenty-Three Thousand Dollars (\$23,000), pursuant to 52 U.S.C. § 30109(a)(5)(A).

2. Respondents will cease and desist from committing a violation of 52 U.S.C. § 30104(b) and 11 C.F.R. § 106.7(d)(1).

VII. The Commission, on request of anyone filing a complaint under 52 U.S.C. § 30109(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

VIII. This agreement shall become effective as of the date that all parties hereto have executed the same and the Commission has approved the entire agreement.

IX. Respondents shall have no more than 30 days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained within this written agreement shall be enforceable.

FOR THE COMMISSION:

BY: Kath M. Guith
Kathleen M. Guith
Acting Associate General Counsel
for Enforcement

12/17/15
Date

FOR THE RESPONDENTS:

Carol A. Wall
(Name)
(Position) Treasurer
Democratic Party of Wisconsin

December 24, 2015
Date